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II

106TH CONGRESS
2D SESSION

S. 2241

To amend title XVIII of the Social Security Act to adjust wages and wage-related costs for certain items and services furnished in geographically reclassified hospitals.

IN THE SENATE OF THE UNITED STATES

MARCH 9, 2000

Mr. CRAPO introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to adjust wages and wage-related costs for certain items and services furnished in geographically reclassified hospitals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Medicare Wage-Index
5 Reclassification Act of 2000".

1 SEC. 2. HOSPITAL GEOGRAPHIC RECLASSIFICATION FOR
2 LABOR COSTS FOR ALL ITEMS AND SERVICES
3 REIMBURSED UNDER PROSPECTIVE PAY-
4 MENT SYSTEMS.

5 (a) IN GENERAL.—Section 1886(d)(10) of the Social
6 Security Act (42 U.S.C. 1395ww(d)(10)) is amended by
7 adding at the end the following new subparagraph:

8 “(G) APPLICATION OF HOSPITAL GEOGRAPHIC RE-
9 CLASSIFICATION FOR INPATIENT SERVICES TO ALL HOS-
10 PITAL-FURNISHED ITEMS AND SERVICES REIMBURSED
11 UNDER PROSPECTIVE PAYMENT SYSTEM.—

12 “(i) IN GENERAL.—In the case of a hospital
13 with an application approved by the Medicare Geo-
14 graphic Classification Review Board under subpara-
15 graph (C)(i)(II) to change the hospital’s geographic
16 classification for a fiscal year for purposes of the
17 factor used to adjust the DRG prospective payment
18 rate for area differences in hospital wage levels that
19 applies to such hospital under paragraph (3)(E), the
20 change in the hospital’s geographic classification for
21 such purposes shall apply for purposes of adjust-
22 ments to payments for variations in costs which are
23 attributable to wages and wage-related costs for all
24 PPS-reimbursed items and services.

25 “(ii) PPS-REIMBURSED ITEMS AND SERVICES
26 DEFINED.—For purposes of clause (i), the term

1 'PPS-reimbursed items and services' means, for cost
2 reporting periods beginning during the fiscal year
3 for which such change has been approved, items and
4 services furnished by the hospital, or by an entity or
5 department of the hospital which is provider-based
6 (as determined by the Secretary), for which
7 payments—

8 “(I) are made under the prospective pay-
9 ment system for hospital outpatient department
10 services under section 1833(t); and

11 “(II) are adjusted for variations in costs
12 which are attributable to wages and wage-re-
13 lated costs.”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 subsection (a) shall apply to items and services furnished
16 on or after October 1, 2001.

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